

The development of Kazakhstan's potential as an oil producing nation is so important, the Kazakh constitution offers numerous legal protections for foreign investors and the Parliament has passed laws offering sizable tax advantages to firms willing to make investments in the country.

Among the "privileges and preferences" afforded outside investors through the Agency of the Republic of Kazakhstan on Investment are five-year long income and property tax holidays of up to 100 percent, additional tax holidays at a reduced rate, conferred land rights, and waivers on customs fees and tariffs on the importation of materials needed to continue building Kazakhstan's oil producing infrastructure.

These incentives are evidence of Kazakhstan's efforts to establish a viable democracy and free market economy after having broken away from communism less than a decade ago. "There is no way we can go back to the system we escaped from," said Zharmakhan Tuyakbai, the chairman of Kazakhstan's Majilis, the Lower House of the Parliament.

Tuyakbai is the equivalent of the speaker of the US House of Representatives and is a member of the majority Otan Party, which supports Nazarbayev.

Despite the large oil reserves in Kazakhstan, the country's three main oil refineries are operating far below capacity, according to government data. Oil deliveries were more than 50 percent below the combined capacity of the Shymkent, Pavlodar and Atyrau refineries in 1998, and the government calls upgrading the country's refining operations "a top priority."

Currently, Chevron and Mobil/Exxon are among the largest US investors in developing Kazakhstan's oil reserves.

Large as the challenge of drilling for oil is, a greater challenge lies in delivering these reserves to customers around the world. Kazakhstan is landlocked, so all of its oil must be delivered via pipeline or shipped through the Caspian Sea and through other oil producing states in the Middle East.

Oil is currently exported from Kazakhstan via a single pipeline running through Russia. But Kuanyshhev said the completion of a second pipeline to the Black Sea is expected to have what he called "an enormous impact" on Kazakhstan's role as an oil-producing nation.

Kuanyshhev said the Black Sea pipeline, scheduled to begin operations in the autumn of 2001, would nearly double the country's current oil output and open global markets for Kazakh oil for the first time in the country's history.

The politics of further pipeline development include some of the most complex issues facing Kazakhstan. An analysis of various pipeline options indicates that some proposals, like one examining a pipeline through Chechnya, are unworkable at this time because of continued warring there.

The Chechens have not recognized Russian rule over them since the disintegration of the Soviet Union and the absence of independence for Chechnya makes the chances for such a pipeline route slim.

Other options are complicated by US foreign policy, including various proposals involving Iran, a route that is considered by many to be the most direct way of delivering Kazakhstan's oil to world markets.

US sanctions against Iran and American opposition to more Iranian pipelines makes such options less viable, according to Kazakhstani officials, but an aide to Nazarbayev said the president is "satisfied with overall US relations" at this time.

Even if a Kazakh pipeline to Iran could be established, it's not likely Kazakhstan would consider membership in OPEC, with one government official saying that Kazakhstan's strategy for oil production and exportation is "inconsistent" with current OPEC policy.

Upon completion of the Black Sea pipeline next year, Kazakhstan is expected to focus on a long-range project to build a pipeline that would run directly to the Mediterranean Sea via Azerbaijan and Turkey.

A pipeline connecting Kazakhstan to the Mediterranean would represent a significant leap for the country, officials said. Not only would such a pipeline increase the country's total oil exports, it also would alleviate the strategic risks that can be associated with having to ship products through the Black Sea and the narrow passage that connects it to the Mediterranean.

The internal political implications are also considerable for Kazakhstan. Nazarbayev's Press Secretary, Asylbek K. Bisenbayev, said the means of exporting oil are even more important than increasing production if the country is to continue moving forward with free-market reforms.

"Oil is important to developing a middle-class in Kazakhstan," said Bisenbayev, underscoring the need to shrink the income gap between rich and poor. With the expansion of the country's middle-class also being a political imperative for the majority Otan Party, the future of democracy in Kazakhstan hinges in large part on tapping the oil beneath it.

APPOINTMENT OF JOE MCDADE, FORMER MEMBER OF PENNSYLVANIA 10TH DISTRICT FOR 36 YEARS

HON. DON SHERWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. SHERWOOD. Mr. Speaker, I want to bring to the attention of the Members of the House the selection of their former colleague, Joe McDade, as Chairman of the Board of Trustees of Ford's Theatre Society. The Society is non-profit organization whose mission is to produce live entertainment on the historic stage at Ford's Theatre. Musicals and plays are produced at Ford's Theater that highlight our nation's multiculturalism and the diversity of American life.

Congressman McDade served with great distinction as the Representative of Pennsylvania's 10th District for 36 years. His contributions to the prosperity and well-being of his constituents are legendary in Pennsylvania and his service to his nation, particularly on the Appropriations Committee, is well known by the Members of this Chamber. He currently serves as Chairman of the Board of ETA, a respected government relations firm based in Washington.

Joe McDade is an excellent selection for Chairman of the Board at Ford's Theater Society. He has always been a strong advocate and genuine aficionado of the arts, having served on the Ford's Board since 1970 and on the Kennedy Center Board for 25 years, where he is a Trustee Emeritus. He is also a Trustee Emeritus at the University of Scranton, and serves as a Board member for Allied Services for the Handicapped.

Congressman McDade's achievements have been recognized by several organizations, including the National Parks and Recreation Association, the U.S. Chamber of Commerce, the Pennsylvania American Legion, the National Association of Defense Lawyers and the National Osteoporosis Association.

The Secretary of Defense awarded Congressman McDade the Medal for Distinguished Public Service, the highest civilian award that can be given by the Department of Defense, and Governor Tom Ridge honored Joe McDade's work by issuing an executive order establishing "Joe McDade Day."

I know that my colleagues would join me in congratulating Congressman McDade for his selection as Chairman of the Board for the Ford's Theater Society and wishing him the very best as he carries out his important new responsibilities.

INTRODUCING THE HEALTH CARE ACT

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. ARMEY. Mr. Speaker, proudly I join my colleague from California, Mr. DOOLEY, in introducing the Health CARE Act. The word "CARE" in the title stands for Coverage, Access, Relief, and Equity. Mr. Dooley and I believe this legislation will provide those things for millions of uninsured Americans. We regard this new bipartisan bill as affordable and enactable, and we will work to pass it this year.

Identical legislation is being introduced in the Senate by a group composed of three Republicans, Senators JEFFORDS of Vermont, FRIST of Tennessee, and SNOWE of Maine, and two Democrats, Senators BREAU of Louisiana and LINCOLN of Arkansas.

The CARE Act creates a tax credit for the purchase of health insurance, and is to be the first in a series of measures that our bipartisan, bicameral group will propose to address the chronic problem of uninsurance in our country. Today, at any given moment, forty-four million Americans can be found who lack health-insurance coverage. They become uninsured for a variety of reasons, and it will take a variety of responses to address this growing problem.

I should note here that the CARE Act is very similar to a bill I introduced last summer under the title of the "Fair Care for the Uninsured Act" (H.R. 2362). The CARE Act differs from Fair Care mainly in being less costly and thus, I hope, more enactable. The basic principles of the two bills are the same, and I will continue to work for the enactment of Fair Care as my long-term objective. I will not let the perfect be the enemy of the good. The CARE Act is a good first step and a solid proposal in its own right.

Experts agree the uninsurance problem is caused in large part by Section 106 the Internal Revenue Code. Section 106 gives an extremely generous tax break for the purchase of health coverage, if it is purchased through one's place of employment but not if it is purchased elsewhere. This discriminates against

people who buy their insurance outside the workplace. Such discrimination may have been tolerable in the 1940s and 1950s, when it was common for a citizen to be employed at one large company for most or all of his or her working lifetime. But it is completely out of step with today's dynamic workforce. Today, this health penalty tax, as I call it, falls most heavily on people who are mobile and part-time, on day laborers, farm workers, and the like. It falls especially hard on Hispanic Americans, who are often employed in these ways, and one-third of whom are uninsured nationally.

Section 106 is unfair in another way. It discriminates against lower-paid workers. Because today's tax-code is progressive, taxing people at increasingly higher rates as their incomes rise, tax breaks like Section 106 are by definition more generous to those in the higher tax brackets. Thanks to this regressive aspect of our system of progressive taxation—a system I hope to see replaced someday by the Flat Tax—the highly paid CEO today gets a much more generous tax break for health coverage than does the waitress at the corner coffee shop. This unfairness needs to be addressed.

Right now, the ranks of the uninsured are swelling by more than 100,000 persons a month, and it appears this pace will continue unabated until we go to the root of the uninsurance problem, and that is the tax code. The time has come for a more equitable tax treatment of health insurance. If Americans were given health-care tax breaks without regard to where they work, or how much they make, it will go a long way to ending the uninsurance problem in this country.

The Health CARE Act would address the inequities of the tax code by creating a new tax credit for the purchase of private health insurance, in the amount of \$1,000 for a self-only policy and \$2,000 for a family policy. A person could use this credit toward the purchase of any qualified private health-insurance policy, including so-called "COBRA" coverage between jobs. If the person is paying for insurance on his own, he could apply the credit toward the cost of that coverage. The credit would be available regardless of where the person works or how much insurance he purchases. He could use it even if he owes no income tax. He could begin using it as soon as he signed up for insurance. He would not have to wait for a refund check from the IRS.

A person would be eligible for the credit if he met all of the following conditions: First, he is not already covered by a federal-government health insurance program. Second, he is not offered an employer-subsidized health plan through his place of work. Third, his annual adjusted gross income is less than \$35,000 (if it is a self-only policy) or \$55,000 (if it is a family policy). Persons making up to \$10,000 a year more than these amounts would receive a reduced credit, which is phased-down over the range.

Experts believe that any health-care tax credit must be worth at least 30 to 50 percent of the cost of an average health-insurance policy in order for people to be willing and able to use it to buy private health insurance. The Health CARE Act credit is worth about 40 percent of the price of a self-only policy, and

about 30 percent of the price of a family policy, depending on one's health status and the general cost of health care in one's region of the country. As a result, the credit will be available to an estimated 21.5 million currently uninsured Americans, and would help an estimated 5.5 million Americans who are now paying for health insurance without the benefit of any federal health-care tax breaks. The CARE Act credit would enable at least 3.2 million uninsured Americans to afford private health coverage, according to the Lewin Group, a private health-policy consultancy in Washington, D.C.

Mr. Speaker, as a resident of the State with the highest uninsurance rate in the nation, I think tax equity for the uninsured is a moral, economic, and political imperative.

The CARE Act is, in sum, a bipartisan proposal that offers real hope to Americans shut out of work-based coverage, makes health-care tax benefits fairer for all workers, begins to repeal the health penalty tax, gets more Americans covered, and does all of this while preserving the employer-based system of coverage on which most Americans rely.

I am proud of this legislation and will work hard with my Democratic partner, Mr. DOOLEY, to pass it this year.

IN RECOGNITION OF THE NASA-GODDARD SPACE FLIGHT CENTER

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. HOYER. Mr. Speaker, I rise today in recognition of the men and women of the NASA-Goddard Space Flight Center in Greenbelt, MD, and congratulate them on their continued success as one of our Nation's premier space flight centers. In December, Goddard led a successful mission to service the Hubble space telescope and launched the Terra spacecraft, the first of an exciting line of satellites based at Goddard.

During the 1999 holiday season, the Hubble was given new navigation equipment and an improved vision of the universe. During an 8-day mission, beginning on December 19, the crew of the space shuttle *Discovery* captured, serviced, and redeployed the Hubble space telescope. On Christmas day it was released back into orbit, returning it to full operation with a new and improved view of the universe.

Through these improvements, Hubble scientists, for the first time in its 10-year history, have identified and implemented a value measurement for how fast the universe is expanding. This rate of expansion—the Hubble constant—is essential in determining the age and size of the universe.

In addition to the great accomplishments with the Hubble, on December 18, the first Earth-observing system satellite was successfully launched. This system, known as Terra is operating as expected and will enable new research into the ways Earth's land mass, oceans, air, ice, and life interact as a whole climate.

Since 1993, NASA has cut the cost of missions by two-thirds and has cut the time it

takes to develop spacecraft by 40 percent. NASA is also launching an average of four times as many science missions per year.

The great successes of Goddard Space Flight Center would not be possible without the outstanding support that has been provided by the contracting and business community of this region. Their efforts, in partnership with NASA, have been critical in placing Goddard in the forefront of space technology and giving the United States the recognition of being number one in space exploration and know-how.

In closing, Mr. Speaker, as we enter the new millennium, let us continue to support the men and women leading us onto the new frontier of space exploration. These men and women of the Goddard Space Flight Center are furthering our knowledge of the planet and the universe by which we are surrounded. I thank the astronomers, scientists, and the entire space exploration community for a job well done.

PALACE OF THE GOVERNORS
EXPANSION ACT

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. UDALL of New Mexico. Mr. Speaker, today I am introducing a bill to fund the expansion annex of the historic Palace of the Governors in Santa Fe, New Mexico. This is a companion bill to S. 1727 introduced in the Senate by Senator PETE V. DOMENICI.

The Palace of the Governors is the last remaining structure of a compound built between 1605 and 1610 by the Government of Spain. For centuries the compound, known also as "Las Casas Reales", served as a military and administrative center for the Spanish colonial empire, and functioned as the legislative chambers and official residence for those who governed New Mexico under the Flags of Spain, Mexico, and the territorial United States. This included 66 Spaniards, 17 Mexicans, and 22 U.S. Territorial Governors. Moreover, during what is known as the Pueblo Rebellion of 1680, the Pueblo Indians of New Mexico converted the historic structure into an Indian village until the Spanish return in 1692.

In 1909, the capitol for the New Mexican territorial government was moved to a more modern building, and the Palace of the Governors was designated as the Museum of New Mexico. Today, the Museum's collections include over 15,000 artifacts and priceless art works, 530,000 photographic images, 15,000 books, 450 linear feet of manuscripts, and 6,000 prints and maps. These precious items are irreplaceable historical and cultural artifacts, as they represent time periods spanning from the initial European exploration and colonization of the Southwest in the 16th century, to the birth of the atomic age and the exploration of space in the twentieth century. Some of Museum's artifacts include helmets and armor worn by soldiers in the expedition of Don Juan De Onate who established the first capital in the United States in July of 1598, and led the first permanent European community in the United States. These proud and